

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H. F. 350

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**Version:** As Introduced

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**Subject:** Allocation of State Appropriation for MnSCU

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### Overview

This bill specifies a method for the board of trustees of the Minnesota state colleges and universities (MnSCU) to distribute state appropriations for the next biennium to institutions-first the board must provide for a three percent inflation increase on compensation, then provide funding to stabilize the institutional base funding, and finally it may use remaining appropriations to implement the allocation framework the board approved at its December meeting.

### Section

1 **Allocation of appropriations; Minnesota state colleges and universities.** Provides direction to the board of trustees of MnSCU on how to distribute state appropriations for the next biennium to MnSCU institutions. The board must first distribute to each institution an amount that is equal to three percent of the institution's salary and fringe benefit costs in the prior fiscal year.

Next, if the board implements the method it approved for allocating funds to institutions, the board must first give each institution an amount that prevents the loss of funding due to reallocation of the base budget. The board may then allocate any remaining state appropriations to institutions using its allocation framework.

**Note:** The MnSCU board of trustees was directed by the 1998 legislature to develop an allocation model that would reduce reliance on one-time funds, reduce variations in funding among similar institutions, and consider instructional cost data. At the December 19, 2000, board of trustees meeting, the board approved an allocation framework designed to distribute state appropriations to institutions based on a set of formulas.